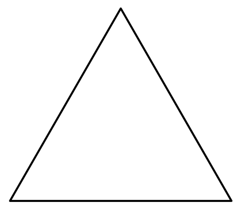
Budgeting for Individuals in an Institution
KEESM 8170

LTC Basics



$62 Protected Income Level

One month base periods

Below are situations when a person is admitted to an institution and financial eligibility will be based on independent living rules

KEESM 4300
- ✓ Live in room and board situations
- ✓ Specialized living arrangement such as alcohol & drug abuse facilities, shelters for battered women or homeless

KEESM 8171
- ✓ Non-Medicaid institution (VA)
- ✓ Does not meet NF level of care
- ✓ Ineligible due to a transfer of property penalty
- ✓ When income exceeds NF daily rate x 31 days, using Independent Living PIL (see page 57 for more information)

KEESM 8113
- ✓ An individual with an open IL case enters a hospital, case remains IL if residing in a non-Medicaid institution

Budgeting for a single individual who enters an institution:

- Use IL PIL ($475) month enters and month leaves institution
- LTC budgeting begins month following month of entrance
- Existing 6 month base must be shortened upon entrance
- One month LTC base must be lengthened upon leaving institution

Eligibility Tests for Institutionalized Persons
KEESM 8172.2

For a consumer to receive a medical card and not be charged more than the NF state rate, one of the following 2 eligibility tests must be passed!

1st Eligibility Test
(Majority of Cases)

Consumers Income
-$62 PIL
-allowable medical expenses
<u>-income allocation</u>
=less than NF monthly state rate amount

- ☐ **Consumer receives a medical card and NF payment made is based on the patient liability**
- ☐ **Spousal Impoverishment income and resource provisions apply**
- ☐ **Facility can only charge NF state rate**

2nd Eligibility Test

(Consumer's income exceeds the NF monthly state rate as calculated in 1st eligibility test)

Consumer's Income
-$475 IL Protected Income Level
<u>-IL income disregards</u>
=countable income

Compare countable income to the NF monthly state rate. If consumer's income is less than the NF monthly state rate amount with new calculation, then:

- ☐ **Consumer receives a medical card**
- ☐ **Spousal Impoverishment income and resource provisions apply**
- ☐ **Facility can only charge state NF rate**
- ☐ **Set up case on system as LTC Nursing Facility case, including enter a 'y' in the cost of care field on the SPEN**
- ☐ **Complete the LOTC screen**
- ☐ **No NF payment is made unless LTC liability falls below NF State rate through changes n income or application of other medical expenses.**

Example of Eligibility Test #2

Income: $3300 NF State Rate: $3100

$3300 - $475 (PIL for IL) - $20 (MS Disregard) = $2805 (less than $3100 NF State Rate)

Since the consumer's income is less than the NF state rate amount, Medicaid eligibility is approved and consumer can only be charged the NF State Rate.

Calculate the consumer's patient liability $3300 - $62 (NF PIL) = $3238 (amount entered in patient liability on LOTC screen. No NF payment will be made to the facility as the consumer's patient liability is more than the $3100 NF State Rate.

Fails 1st and 2nd Eligibility Tests

Should the consumer fail both calculations, then;

- ☐ **Set up case as MS Independent Living**
- ☐ **Actual NF cost can be used to meet spenddown and projected over 6 month base**
- ☐ **NF can charge private rates and Medical card will never pay for NF costs**
- ☐ **Spousal Impoverishment income and resource provisions DO NOT apply!**
- ☐ **ON the LOTC screen enter:**
  - **"NS" living arrangement code and effective date**
  - **"NA" level of care code and effective date**
  - **Enter $9999 in patient liability field**

Medicare Days

When a consumer is on "Medicare Days" in the NF the EES worker determines eligibility the same as usual and the cost of NF care (state or private rate) continues to be allowed in the determination.

Long Term Care Insurance

Consumers who have LTC insurance either receive payments directly or the NF receives the payment. The EES worker is responsible for adding this insurance on as a TPL segment. LTC insurance is treated the same as any other third party insurance like BCBS. LTC insurance payments are NOT treated as income.